

Session 9

Extra Practice

Topics you will cover:

Student Eligibility

Packaging

Verification

Student Eligibility

Instructions: In your groups, determine whether each of the following students is eligible for federal student aid, based solely on the criteria given. Discuss reasons for your answers and record them in the space provided.

HINT: You'll need your Student Eligibility Checklist from page 3 of Session 2!

1. Georges, attempting to prove he is an eligible non-citizen, brings you a copy of his Social Security card that is stamped "Valid for Employment". Is he eligible for financial aid?
2. Rick is enrolled in the Continuing Education and Community Enrichment program at Intown State College. He is taking classes that will help him when he enrolls there next year in the Marketing program. Is he eligible for financial aid?
3. Jennifer is a 14 year old who is very bright and was bored in school. She took and passed her GED. Is she eligible for Title IV aid?
4. Linda was home schooled by her parents in Washington state. Although Washington does not recognize home schools, she plans to attend college in Idaho. She does have a certificate from the Home School Association of Idaho. Is Linda eligible?
5. Tricia recently attended State University and withdrew. State University discovered that Tricia had received too much Pell Grant money while she was enrolled. The school repaid the Pell Grant, and now wants Tricia to repay them. They are refusing to release her academic records until she pays, saying that she owes money back for her Pell Grant. Is Tricia eligible for financial aid?

6. Bob's parents have religious beliefs that prohibit them from participating in any government activity. They believe that doing so would allow governmental interference in their personal affairs. Bob's parents refuse to get him a social security. Is Bob eligible for aid?
7. Ramon is a 22-year-old refugee from his native country who doesn't yet have his green card. Since he is not a U. S. citizen, he doesn't feel he should have to register with Selective Service. Can Ramon get aid?
8. Jose came to the U. S. illegally at age 18, and he finally got his green card. He's now just turned 26, but has never registered with Selective Service. He says he wasn't required to register. Can Jose get aid?
9. Scott has been serving a prison sentence and was recently approved by the parole board to live in a community halfway house. He'd like to continue his education. Is Scott eligible for aid?
10. Lynn's mother and stepfather did fill out Lynn's FAFSA, but her stepfather refuses to provide his tax return. He indicates that his financial worth is no one's business and providing the return would be an invasion of his privacy. Lynn does bring you her mother's 1040 and the other required verification documents. Is Lynn eligible for aid?

Packaging

Instructions: Using the information below, and the packaging models chart on page 5, complete packaging for the students described on pages 6, 7, & 8. For these exercises, we provide you with worksheets. Although these worksheets are not required, you may use them or similar forms to complete the packaging. Remember, EDExpress features an electronic packaging module as well.

Big Mountain College has the following aid programs and award parameters:

Fund	AY Minimum	AY Maximum	Other Criteria
FSEOG	\$200	\$1000	Pell students
FWS	\$750	\$1500	
FFEL Program		Statutory	
Perkins Loans	\$500	\$1500	
Institutional Loan	\$250	\$1000	Only for students who are not eligible for \$5500 in sub Stafford; awarded after FFEL
Institutional Grant*	\$100	\$1200	

All students will be offered a chance to work before incurring any debt. For Pell eligible students, Perkins Loans are offered before Stafford. Fixed % equity level = 20% X COA.

*When using the Packaging Models chart, this grant is considered “gift aid,” not “external/private” aid.

Note: For purposes of this exercise, award all students the maximum grant and loan amounts whenever possible. In reality, you would have to consider availability of campus-based and institutional funds.

Packaging Models

Model	Order of Packaging	Special Notes
Ladder	<ol style="list-style-type: none"> 1) Pell 2) External/private 3) Gift aid* 4) Self-help aid 	* attempt to meet all student need without resorting to loans or FWS
Self-Help	<ol style="list-style-type: none"> 1) Pell 2) External/private 3) Self-help aid* 4) Gift aid (if needed) 	* attempt to promote self-help as primary means of meeting need
Absolute Equity	<ol style="list-style-type: none"> 1) Pell 2) External/private 3) Gift aid* 4) Self-help aid 	* maximum dollar amount of gift aid equal for all students
Fixed Percentage Equity**	<ol style="list-style-type: none"> 1) Pell 2) External/private 3) Gift aid* 4) Self-help aid 	* maximum dollar amount of gift aid based on percentage of each student's COA
Individual Basis	<ol style="list-style-type: none"> 1) Pell 2) Varies by student 	
First-Come, First-Served	<ol style="list-style-type: none"> 1) Pell 2) External/private 3) Self-help aid* 4) Gift aid* 	* student funded to the maximum need from all sources until funds are exhausted
Special Groups	<ol style="list-style-type: none"> 1) Pell 2) Varies by groups of students* 	* for example, athletes on partial scholarships

**Once the COA is multiplied by the school's equity percentage, the Pell Grant and any outside aid must be subtracted before gift aid is determined.

Package aid for **Michelle**, a sophomore who has a COA of \$10,650 and an EFC of 1225. She is eligible for \$1,250 in Pell. She is also receiving a \$750 Mountain Rotary Scholarship. As a sophomore, her maximum subsidized FFEL is \$3,500 (assuming she has the need). Use the ***Ladder Model*** to complete her package.

Student Name: Michelle

Date Enrollment will Begin : 9/3/99

STEP ONE: (Calculating Need)

$$\frac{\text{COA}}{\text{COA}} - \frac{\text{EFC}}{\text{EFC}} = \frac{\text{Need}}{\text{Need}}$$

STEP TWO: (Subtracting Pell)

$$\frac{\text{Need}}{\text{Need}} - \frac{\text{Pell}}{\text{Pell}} = \frac{\text{Remaining Need}}{\text{Remaining Need}}$$

STEP THREE: (Creating Package)

Remaining Need: _____

<u>Aid Type</u>	<u>Amount</u>	<u>Remaining Need</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Package aid for **Esther**, a junior with a COA of \$10,650 plus an additional allowance of \$900 in child care. She has an EFC of 2950. She is not eligible for any Pell. As a junior, her maximum subsidized FFEL is \$5,500 (assuming she has the need). Use the *Self-Help Model* to complete her package.

Student Name: Esther

Date Enrollment will Begin : 9/3/99

STEP ONE: (Calculating Need)

$$\frac{\text{COA}}{\text{COA}} - \frac{\text{EFC}}{\text{EFC}} = \frac{\text{Need}}{\text{Need}}$$

STEP TWO: (Subtracting Pell)

$$\frac{\text{Need}}{\text{Need}} - \frac{\text{Pell}}{\text{Pell}} = \frac{\text{Remaining Need}}{\text{Remaining Need}}$$

STEP THREE: (Creating Package)

Remaining Need: _____

<u>Aid Type</u>	<u>Amount</u>	<u>Remaining Need</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Package aid for **Rick**, a freshman with a COA of \$9,650 (he lives at home) and an EFC of 0. He is eligible for \$3,125 in Pell. He is also receiving a \$500 Honors Scholarship. As a freshman, his maximum subsidized FFEL is \$2,625 (assuming he has the need). Use the *Fixed-Percentage Equity Model* to complete his package.

Student Name: **Rick**

Date Enrollment will Begin : **9/3/99**

STEP ONE: (Calculating Need)

$$\frac{\text{COA}}{\text{COA}} - \frac{\text{EFC}}{\text{EFC}} = \frac{\text{Need}}{\text{Need}}$$

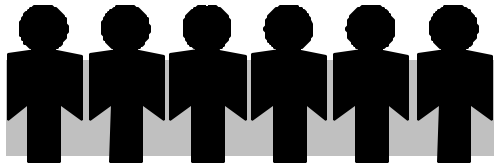
STEP TWO: (Subtracting Pell)

$$\frac{\text{Need}}{\text{Need}} - \frac{\text{Pell}}{\text{Pell}} = \frac{\text{Remaining Need}}{\text{Remaining Need}}$$

STEP THREE: (Creating Package)

Remaining Need: _____

<u>Aid Type</u>	<u>Amount</u>	<u>Remaining Need</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



Group Activity

First, compare your answers for each student. Then, allow each member of your group a turn to answer the following questions. Use the space provided to take notes on ideas you hear from your colleagues.

- 1) Which of the models from the chart on page 5 does your school use?
- 2) What models that are not on the chart does your school use?
- 3) Of the models your school uses, what are some areas of difficulty you've encountered?
- 4) What is one question you would like to ask of your colleagues regarding packaging?
- 5) What is one piece of advice you would give to your colleagues regarding packaging?

Verification

Instructions: Work on the following case study individually. Then answer the group questions that follow the case study.

The information below summarizes the student's ISIR data. To complete the case study, we've provided you with the student's tax return, verification worksheet (completed by the student), and a blank verification working paper.

Vital Student Information from ISIR

Name: Kim Robinson

Age: 19

Household Size: 3

in College: 2

Student Tax Form: 1040EZ

Student AGI: \$2,400

Student Tax Paid: \$300

Worksheets A & B: \$0

Parent Tax Form: 1040

Parent AGI: \$34,000

Parent Tax Paid: \$3,810

Worksheet A: \$500

Worksheet B: \$0

Case Study



Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your and your parent(s) 1993 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR), or your school may send corrections electronically, to have your information reprocessed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parent(s)' financial documents (signed Federal income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet— you and at least one parent.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your FAFS and send it back to the application processor.

Your school must review the requested information under the financial aid program rules (CFR Title 24, Part 655).

A. Student Information

Robinson	Kim	M.	654-32-1987
Last name	First name	M.I.	Social security number
1806 Forest Wood Ave.			11/7/79
Address (include apt. no.)			Date of birth
Sheffield	OH	44414	330-555-5515
City	State	ZIP code	Phone number (include area code)

B. Family Information

List the people in your parents household; include:

- yourself and your parents, and
- your parents' other children, if (a) your parents provide more than half of their support, or (b) the children would be required to provide parental information when applying for Federal Student Aid, and
- other people if they now live with your parents, and your parents provide more than half of their support and will continue to provide more than half of their support from July 1, 1999 through June 30, 2000.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1996 and June 30, 2000, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Janet Jones	51	Mother	Central University
Kim Robinson	19	Self	Midstate University
Charles Robinson	22	brother	Instate Law School
Betty Robinson	45	mother	
Georgia Johnson	70	grandmother	

[illegible]

C. Student's Tax Forms and Income Information**Dependent**

1. For non-tax filers and all tax filers (includes the 1998 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from your tax preparer.

- ☒ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by _____ (date).
☐ Check here if you will not file and are not required to file a 1998 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income. (See Worksheet A on the Free Application for Federal Student Aid)

Sources of untaxed income	Amount	Sources of untaxed income	Amount
Child Support			
Social Security			
Welfare (including TANF)			

3. If you did not file and are not required to file a 1998 Federal income tax return, list below your employer(s) and any income received in 1998.

Sources (Use the W-2 form or other earnings statements.)	Amount

D. Parent(s)' Tax Forms and Income Information

1. For non-tax filers and all tax filers (includes the 1998 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If your parent(s) did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from the tax preparer.

- ☒ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by _____ (date).
☐ Check here if your parent(s) will not file and are not required to file a 1998 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount	Sources of untaxed income	Amount
Child Support			
Social Security			
Welfare (including TANF)			

3. If your parent(s) did not file and are not required to file a 1998 Federal income tax return, list below your parent(s)' employer(s) and any income received in 1998.

Sources (Use the W-2 form or other earnings statements.)	Amount

E. Sign this Worksheet

By signing this worksheet, we certify that all the information reported to qualify for Federal student aid is complete and correct. At least one parent must sign.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Kim M. Robinson 4/25/99
 Student Date
Debbie J. Robinson 4/25/99
 Spouse Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator. Don't forget your tax forms.

Use this form if

- Your filing status is single or married filing jointly.
- You do not claim any dependents.
- You do not claim a student loan interest deduction or an education credit. See page 3.
- You had only wages, salaries, tips, taxable scholarship or fellowship grants, unemployment compensation, or Alaska Permanent Fund dividends, and your taxable interest income was not over \$400. But if you earned tips, including allocated tips, that are not included in box 5 and box 7 of your W-2, you may not be able to use Form 1040EZ. See page 8.
- You did not receive any advance earned income credit payments.
- You (and your spouse if married) were under 65 on January 1, 1999, and not blind at the end of 1998.
- Your taxable income (line 6) is less than \$50,000.

If you are not sure about your filing status, see page 7. If you have questions about dependents, use TeleTax topic 354 (see page 17). If you cannot use this form, use TeleTax topic 352 (see page 17).

Filling in your return

For tips on how to avoid common mistakes, see page 27.

Enter your (and your spouse's if married) social security number on the front. Because this form is read by a machine, please print your numbers inside the boxes like this:

9 8 7 6 5 4 3 2 1 0

Do not type your numbers. Do not use dollar signs.

If you received a scholarship or fellowship grant or tax-exempt interest income, such as on municipal bonds, see the booklet before filing in the form. Also, see the booklet if you received a Form 1099-INT showing Federal income tax withheld or if Federal income tax was withheld from your unemployment compensation or Alaska Permanent Fund dividends.

Remember, you must report all wages, salaries, and tips even if you do not get a W-2 form from your employer. You must also report all your taxable interest income, including interest from banks, savings and loans, credit unions, etc., even if you do not get a Form 1099-INT.

Worksheet for dependents who checked "Yes" on line 5

Use this worksheet to figure the amount to enter on line 5 if someone can claim you (or your spouse if married) as a dependent, even if that person chooses not to do so. To find out if someone can claim you as a dependent, use TeleTax topic 354 (see page 17).

A. Amount, if any, from line 1 on front	2,941.00	
	+ 250.00	Enter total ▶
B. Minimum standard deduction		A. 2,691.00
C. Enter the LARGER of line A or line B here		B. 700.00
D. Maximum standard deduction. If single, enter 4,250.00; if married, enter 7,100.00		C. 2,691.00
E. Enter the SMALLER of line C or line D here. This is your standard deduction		D. 4,250.00
F. Exemption amount.		E. 2,691.00
• If single, enter 0.		F. 0
• If married and—		
—both you and your spouse can be claimed as dependents, enter 0.		
—only one of you can be claimed as a dependent, enter 2,700.00.		
G. Add lines E and F. Enter the total here and on line 5 on the front.		G. 2,691.00

If you checked "No" on line 5 because no one can claim you (or your spouse if married) as a dependent, enter on line 5 the amount shown below that applies to you.

- Single, enter 6,950.00. This is the total of your standard deduction (4,250.00) and your exemption (2,700.00).
- Married, enter 12,500.00. This is the total of your standard deduction (7,100.00), your exemption (2,700.00), and your spouse's exemption (2,700.00).

Mailing return

Mail your return by April 15, 1999. Use the envelope that came with your booklet. If you do not have that envelope, see page 28 for the address to use.

Paid preparer's use only

See page 14

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income received during the tax year. This declaration is based on all information of which I have any knowledge.

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN

Firm's name (or yours if self-employed) and address

IN

ZIP code



1040 U.S. Individual Income Tax Return 1998

Department of the Treasury—Internal Revenue Service

1998 (Any 15th Entry—Do not write or make in this space)

For the year Jan. 1–Dec. 31, 1998, or other tax year beginning

1998, ending

19

OMB No. 1545-0047

Label

See instructions on page 181.

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign (See page 18)

Your first name and last name Betty J. Robinson	Last name Robinson	Your social security number 876 54 3219
If a joint return, spouse's first name and initial Betty J.		Spouse's social security number 876 54 3219
Home address, number and street. If you have a P.O. box, see page 18. 1806 Forest Wood Avenue		IMPORTANT! You must enter your SSN(s) above.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. Sheffield, OH 44414		
Do you want \$3 to go to this fund? If a joint return, does your spouse want \$3 to go to this fund?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Filing Status

Check only one box.

- 1 ☐ Single
- 2 ☐ Married. (File joint return even if only one had income)
- 3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here.
- 4 ☒ Head of household (with qualifying person). (See page 18.) If the qualifying person is a child but not your dependent, enter this child's name here.
- 5 ☐ Qualifying widow(er) with dependent child (your spouse died in 1998). (See page 18.)

Exemptions

If more than six dependents, see page 19.

6a <input checked="" type="checkbox"/> Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a.					No. of boxes checked on 6a and 6b																													
b <input type="checkbox"/> Spouse																																		
c Dependents:					No. of your children on 6c who:																													
<table border="1"> <thead> <tr> <th>First name</th> <th>Last name</th> <th>(1) Dependent's social security number</th> <th>(2) Dependent's relationship to you</th> <th>How is qualifying child for child tax credit? (See page 18)</th> </tr> </thead> <tbody> <tr> <td>Charles</td> <td>Robinson</td> <td>765 43 2198</td> <td>son</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Kim</td> <td>Robinson</td> <td>654 32 1997</td> <td>daughter</td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>						First name	Last name	(1) Dependent's social security number	(2) Dependent's relationship to you	How is qualifying child for child tax credit? (See page 18)	Charles	Robinson	765 43 2198	son	<input checked="" type="checkbox"/>	Kim	Robinson	654 32 1997	daughter	<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>				
First name	Last name	(1) Dependent's social security number	(2) Dependent's relationship to you	How is qualifying child for child tax credit? (See page 18)																														
Charles	Robinson	765 43 2198	son	<input checked="" type="checkbox"/>																														
Kim	Robinson	654 32 1997	daughter	<input type="checkbox"/>																														
				<input type="checkbox"/>																														
				<input type="checkbox"/>																														
				<input type="checkbox"/>																														
d Total number of exemptions claimed					3																													

Income

Attach Copy B of your Forms W-2, W-2G, and 1099-R here.

If you did not get a W-2, see page 23.

Enclose, but do not staple, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2.	7	33,972.00
8a	Taxable interest. Attach Schedule B if required.	8a	650.00
b	Tax-exempt interest. DO NOT include on line 8a.	8b	
9	Ordinary dividends. Attach Schedule D if required.	9	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 21).	10	
11	Alimony received.	11	
12	Business income or (loss). Attach Schedule C or C-EZ.	12	
13	Capital gain or (loss). Attach Schedule D.	13	
14	Other gains or (losses). Attach Form 4797.	14	
15a	Total IRA distributions.	15a	
b	Taxable amount (see page 22).	15b	
16a	Total pensions and annuities.	16a	
b	Taxable amount (see page 22).	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E.	17	
18	Farm income or (loss). Attach Schedule F.	18	
19	Unemployment compensation.	19	
20a	Social security benefits.	20a	
b	Taxable amount (see page 24).	20b	
21	Other income. List type and amount—see page 24.	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income.	22	34,622.00
23	RA deduction (see page 25).	23	500.00
24	Student loan interest deduction (see page 27).	24	
25	Medical savings account deduction. Attach Form 8853.	25	
26	Moving expenses. Attach Form 3903.	26	
27	One-half of self-employment tax. Attach Schedule SE.	27	
28	Self-employed health insurance deduction (see page 28).	28	
29	Keogh and self-employed SEP and SIMPLE plans.	29	
30	Pension on early withdrawal of savings.	30	
31a	Alimony paid. b Recipient's SSN.	31a	
32	Add lines 23 through 31a.	32	500.00
33	Subtract line 32 from line 22. This is your adjusted gross income.	33	34,122.00

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 51.

Cat. No. 1132061

Form 1040 (1998)

Tax and Credits

Standard Deduction for Most People

Single \$4,250
Head of household \$5,250
Married filing jointly or qualifying widow(er) \$7,100
Married filing separately \$3,550

34	Amount from line 33 (adjusted gross income)	34	34,122	00
35a	Check if: <input type="checkbox"/> You were 65 or older, <input type="checkbox"/> Blind; <input type="checkbox"/> Spouse was 65 or older, <input type="checkbox"/> Blind. Add the number of boxes checked above and enter the total here. ▶ 35a			
35b	If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see page 29 and check here. ▶ 35b <input type="checkbox"/>			
36	Enter the larger of your itemized deductions from Schedule A, line 28, OR standard deduction shown on the left. But see page 30 to find your standard deduction if you checked any box on line 35a or 35b or if someone can claim you as a dependent.	36	6,350	00
37	Subtract line 36 from line 34	37		
38	If line 34 is \$93,400 or less, multiply \$2,700 by the total number of exemptions claimed on line 6d. If line 34 is over \$93,400, see the worksheet on page 30 for the amount to enter.	38	8,100	00
39	Taxable income. Subtract line 38 from line 37. If line 38 is more than line 37, enter -0-	39	19,672	00
40	Tax. See page 32. Check if any tax from a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 ▶	40	2,951	00
41	Credit for child and dependent care expenses. Attach Form 2441	41		
42	Credit for the elderly or the disabled. Attach Schedule R	42		
43	Child tax credit (see page 31)	43		
44	Educator credits. Attach Form 8961	44	1,620	00
45	Adoption credit. Attach Form 8839	45		
46	Foreign tax credit. Attach Form 1116 if required	46		
47	Other. Check if from a <input type="checkbox"/> Form 8800 b <input type="checkbox"/> Form 8308 c <input type="checkbox"/> Form 8801 d <input type="checkbox"/> Form (specify)	47		
48	Add lines 41 through 47. These are your total credits	48	1,620	00
49	Subtract line 48 from line 40. If line 48 is more than line 40, enter -0-	49	1,331	00

Other Taxes

50	Self-employment tax. Attach Schedule SE	50		
51	Alternative minimum tax. Attach Form 6251	51		
52	Social security and Medicare tax on self-employment income not reported to employer. Attach Form 4137	52		
53	Tax on RRA, other retirement plans, and IRAs. Attach Form 5329 if required	53		
54	Advance earned income credit payments from Form(s) W-2	54		
55	Household employment taxes. Attach Schedule H	55		
56	Add lines 49 through 55. This is your total tax.	56	1,331	00

Payments

Attach Forms W-2 and W-2G on the front. Also attach Form 1099-R if 12X was withheld.

57	Federal income tax withheld from Forms W-2 and 1099	57	3,810	00
58	1998 estimated tax payments and amount applied from 1997 return	58		
59a	Earned income credit. Attach Schedule EIC if you have a qualifying child b Nonrefundable earned income credit. Attach Form 8872	59a		
60	Additional child tax credit. Attach Form 8812	60		
61	Amount paid with Form 4868 (request for extension)	61		
62	Excess social security and RRTA tax withheld (see page 43)	62		
63	Other payments. Check if from a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136	63		
64	Add lines 57, 58, 59a, and 60 through 63. These are your total payments	64	3,810	00

Refund

Have it directly deposited? See page 44 and fill in 56b, 56c, and 56d.

65	If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you OVERPAID	65	2,497	00
66a	Amount of line 65 you want REFUNDED TO YOU. ▶	66a	2,497	00
66b	Routing number	66b		
66c	Account number	66c		
66d	Amount of line 65 you want APPLIED TO YOUR 1998 ESTIMATED TAX ▶	66d		

Amount You Owe

67	If line 56 is more than line 64, subtract line 64 from line 56. This is the AMOUNT YOU OWE. For details on how to pay, see page 44	67		
68	Estimated tax penalty. Also include on line 68	68		

Sign Here

Print return? See page 18. Keep a copy for your records.

Preparer's signature	Date	Your occupation	Daytime telephone number (optional)
<i>Betty J. Robinson</i>	2/17/99	Clerk	
Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
Firm's name (if firm, print name, address, and address)			DN
			CP (once)

1999-2000 Verification Working Paper

Student: _____ SS#: _____ Dep. Status: _____

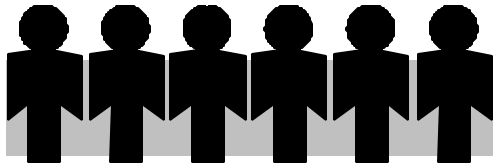
Tax Returns Filed		Student/Spouse (circle one): 1040, 1040A, 1040EZ, Other, None filed			
		Parent(s) (circle one): 1040, 1040A, 1040EZ, Other, None filed			

Item (SAR #)	Amount on Output Document	Amount Verified (Source)	Match?		
			Yes	No	N/A
Household Size (59/77)		(Worksheet)			
# in College (60/78)		(Worksheet)			
Student/Spouse AGI (41)		(1040-33, A-18,EZ-4)			
Student/Spouse Income Tax Paid (42)		(1040-49, A-32, EZ-10)			
Student/Spouse EIC (44)		(1040-59(a), A-37(a), EZ-8(a))			
Parent AGI (64)		(1040-33, A-18,EZ-4)			
Parent Income Tax Paid (65)		(1040-49, A-32, EZ-10)			
Parent EIC (67)		(1040-59(a), A-37(a), EZ-8(a))			

Non-Filers Only					
Student Earnings (45)		(W2)			
Spouse Earnings (46)		(W2)			
Father Earnings (68)		(W2)			
Mother Earnings (69)		(W2)			

Data from Worksheets A & B - Untaxed Income & Exclusions from Income (list and verify items that app					

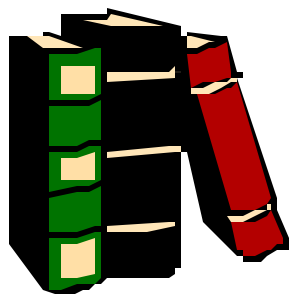
Net Error = \$ _____ Verification Status Code: N A W T C R S Verification Performed By: _____ Date: _____	Notes:
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Group Activity

First, compare your results to the case study. Then, allow each person in your group a turn to answer the following questions.

- 1) What forms do you collect during verification?
- 2) What is your biggest hurdle in completing verification?
- 3) What is a question you would like to ask of your colleagues concerning verification?
- 4) What are some helpful hints you have for your colleagues regarding verification?



Resources Resources

- ★ *Federal Student Financial Aid Handbook:
Student Eligibility*

Answer



Key

Student Eligibility

1. **No.** Just being eligible to work does not qualify a student as an eligible non-citizen.
2. **No.** Rick is not currently in a degree or certificate program.
3. **Yes.** Even though she is not beyond the age of compulsory attendance, she does have a GED.
4. **No.** Linda's home state must recognize her home schooling degree.
5. **Yes.** Tricia owes the money to the school, but the Department of Education has been repaid, so Tricia is eligible.
6. **No.** Every student must have a social security number without exception.
7. **No.** Not until he registers with Selective Service. All eligible non-citizens must register.
8. **No.** He was required to register before he turned 26. The school can obtain an opinion letter from Selective Service indicating whether they believe Jose was required to register and aware of this requirement.
9. **Yes.** Halfway houses are not considered incarceration.
10. **No.** All tax returns for individuals whose information was provided on the FAFSA must be provided for verification.

Package aid for **Michelle**, a sophomore who has a COA of \$10,650 and an EFC of 1225. She is eligible for \$1,250 in Pell. She is also receiving a \$750 Mountain Rotary Scholarship. As a sophomore, her maximum subsidized FFEL is \$3,500 (assuming she has the need). Use the **Ladder Model** to complete her package.

Student Name: **Michelle**

Date Enrollment will Begin : **9/3/99**

STEP ONE: (Calculating Need)

$$\frac{\$10,650}{\text{COA}} - \frac{1225}{\text{EFC}} = \frac{\$9,425}{\text{Need}}$$

STEP TWO: (Subtracting Pell)

$$\frac{\$9,425}{\text{Need}} - \frac{\$1,250}{\text{Pell}} = \frac{\$8,175}{\text{Remaining Need}}$$

STEP THREE: (Creating Package)

Remaining Need: **\$8,175**

<u>Aid Type</u>	<u>Amount</u>	<u>Remaining Need</u>
<u>Mountain Schol.</u>	<u>\$750</u>	<u>\$7,425</u>
<u>Inst. Grant*</u>	<u>\$1,200</u>	<u>\$6,225</u>
<u>FSEOG</u>	<u>\$1,000</u>	<u>\$5,225</u>
<u>FWS**</u>	<u>\$1,500</u>	<u>\$3,725</u>
<u>Perkins</u>	<u>\$1,500</u>	<u>\$2,225</u>
<u>Subsidized FFEL</u>	<u>\$2,225</u>	<u>\$0</u>

*could be after FSEOG

**could be after loans

Package aid for **Esther**, a junior with a COA of \$10, 650 plus an additional allowance of \$900 in child care. She has an EFC of 2950. She is not eligible for any Pell. As a junior, her maximum subsidized FFEL is \$5,500 (assuming she has the need). Use the *Self-Help Model* to complete her package.

Student Name: **Esther**

Date Enrollment will Begin : **9/3/99**

STEP ONE: (Calculating Need)

$$\frac{\$11,550}{\text{COA}} - \frac{2,950}{\text{EFC}} = \frac{\$8,600}{\text{Need}}$$

STEP TWO: (Subtracting Pell)

$$\frac{\$8,600}{\text{Need}} - \frac{\$0}{\text{Pell}} = \frac{\$8,600}{\text{Remaining Need}}$$

STEP THREE: (Creating Package)

Remaining Need: **\$8,600**

<u>Aid Type</u>	<u>Amount</u>	<u>Remaining Need</u>
FWS*	\$1,500	\$7,100
FFEL	\$5,500	\$1,600
Perkins	\$1,500	\$100
Inst. Grant	\$100	\$0

*could be after loans

Package aid for **Rick**, a freshman with a COA of \$9,650 (he lives at home) and an EFC of 0. He is eligible for \$3,125 in Pell. He is also receiving a \$500 Honors Scholarship. As a freshman, his maximum subsidized FFEL is \$2,625 (assuming he has the need). Use the *Fixed-Percentage Equity Model* to complete his package.

Student Name: **Rick**

Date Enrollment will Begin : **9/3/99**

STEP ONE: (Calculating Need)

$$\begin{array}{r} \$9,650 \\ \hline \text{COA} \end{array} - \begin{array}{r} 0 \\ \hline \text{EFC} \end{array} = \begin{array}{r} \$9,650 \\ \hline \text{Need} \end{array}$$

STEP TWO: (Subtracting Pell)

$$\begin{array}{r} \$9,650 \\ \hline \text{Need} \end{array} - \begin{array}{r} \$3,125 \\ \hline \text{Pell} \end{array} = \begin{array}{r} \$6,525 \\ \hline \text{Remaining} \\ \text{Need} \end{array}$$

STEP THREE: (Creating Package)

Remaining Need: **\$6,525**

<u>Aid Type</u>	<u>Amount</u>	<u>Remaining Need</u>
<u>Honors Schol.</u>	<u>\$500</u>	<u>\$6,025</u>
<u>Inst. Grant*</u>	<u>\$1,200</u>	<u>\$4,825</u>
<u>FSEOG</u>	<u>\$730***</u>	<u>\$4,095</u>
<u>FWS**</u>	<u>\$1,500</u>	<u>\$2,595</u>
<u>Perkins</u>	<u>\$1,500</u>	<u>\$1,095</u>
<u>Subsidized FFEL</u>	<u>\$1,095</u>	<u>\$0</u>

*could be after FSEOG

**could be after loans

***only \$730 because his fixed-percentage equity level = \$1,930 (20% of \$9,650)

1999-2000 Verification Working Paper

Student: Kim Robinson SS#: 654-32-1987 Dep. Status: Dep.

Tax Returns Filed	Student/Spouse (circle one): 1040, 1040A, 1040EZ, Other, None filed
	Parent(s) (circle one): 1040, 1040A, 1040EZ, Other, None filed

Item (SAR #)	Amount on Output Document	Amount Verified (Source)	Match?		
			Yes	No	N/A
Household Size (59/77)	3	4 (Worksheet)		X	
# in College (60/78)	2	2 (Worksheet)	X		
Student/Spouse AGI (41)	\$2,400	\$2,441 (1040-33, A-18,EZ-4)		X	
Student/Spouse Income Tax Paid (42)	\$300	\$0 (1040-49, A-32, EZ-10)		X	
Student/Spouse EIC (44)	\$0	\$0 (1040-59(a), A-37(a), EZ-8(a))	X		
Parent AGI (64)	\$34,000	\$34,122 (1040-33, A-18,EZ-4)		X	
Parent Income Tax Paid (65)	\$3,810	\$1,331 (1040-49, A-32, EZ-10)		X	
Parent EIC (67)	\$0	\$0 (1040-59(a), A-37(a), EZ-8(a))	X		

Non-Filers Only					
Student Earnings (45)		(W2)			
Spouse Earnings (46)		(W2)			
Father Earnings (68)		(W2)			
Mother Earnings (69)		(W2)			

Data from Worksheets A & B - Untaxed Income & Exclusions from Income (list and verify items that apply)					
IRA Deduction	\$500	\$500 (1040 - line 23)	X		
Educ. Tax Credits	\$0	\$1,620 (1040A, line 24)		X	

Net Error = \$ <u>1,322</u> Verification Status Code: N A W T C R <u>S</u> Verification Performed By: _____ Date: _____	Notes:
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